

## Message Text

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ACTION NEA-11

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07  
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /139 W  
-----038558 071242Z /46

R 071150Z MAY 78

FM AMEMBASSY ABU DHABI  
TO SECSTATE WASHDC 7782  
INFO AMEMBASSY DOHA  
AMEMBASSY JIDDA  
AMEMBASSY KUWAIT  
AMEMBASSY LONDON  
AMEMBASSY MANAMA  
AMEMBASSY MUSCAT  
AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: ENRG, EINV, TC, UR, US

SUBJECT: SHARJAH-CRESCENT DISPUTE - LETTER FROM SHAIKH SULTAN TO CRES  
CENT  
SHAREHOLDERS

REFS: (A) ABU DHABI 892, (B) ABU DHABI 1281

1. FOLLOWING IS TEXT OF LETTER DATED MAY 4, 1978 SIGNED BY SHAIKH  
SULTAN BIN MUHAMMAD AL QASIMI, RULER OF SHARJAH, IN RESPONSE TO  
MARCH 22 LETTER FROM CRESENT PETROLEUM SHAREHOLDERS (REF A).  
LETTER WAS OFFICIALLY DELIVERED MAY 4 AND TEXT HAS BEEN TELEXED TO  
CRESENT SHAREHOLDERS IN US.

2. BEGIN TEXT:

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TO: BUTTES, GAS & OIL COMPANY  
JUNIPER PETROLEUM CORP.  
SKELLY INTERNATIONAL OIL CO.  
ADVANCE PETROLEUM LTD.  
KERR-MCGEE EASTERN CO.  
CITCO-MID EAST INCORPORATED  
AFTER GREETINGS:

WE REFER TO YOUR LETTER DATED MARCH 22, 1978 AND NOTIFY AS  
FOLLOWS:

1. RULES AND REGULATIONS CONCERNING TAXATION, IN ANY COUNTRY,  
ARE CLEARLY MATTERS OF THE STATE SOVEREIGNTY WHICH UNDER NO CIRCUM-  
STANCES CAN BE SUBJECTED TO ARBITRATION. THIS APPLIES TO THE  
ROYALTY WHICH ENACTED IN THE U.A.E.

2. CONCLUSION SET OUT IN OUR LETTER DATED FEBRUARY 25, 1978  
WAS REACHED AFTER HAVING CONSIDERED THE REPORTS AND EXPLANATIONS  
SUBMITTED ON YOURUOEHALF TO US AND ALSO WITH DUE REGARD TO YOUR  
OPERATIONAL CONDITIONS.

THE TREATMENT ENVISAGED IN YOUR CASE IS GENEROUS INDEED  
COMPAREDNUWITH PREVAILING FISCAL TERMS APPLICABLE YO THE OIL  
COMPANIES OPERATING IN VARIOUS PRODUCING COUNTRIES IN THE AREA  
AND ELSEWHERE. YOUR WHOLE APPROACH AS INDICATED IN YOUR LETTER  
OF MARCH 22, 1978 IS THEREFORE BOTH SURPRISING AND REGRETTABLE.

ONCE MORE WE URGE YOU HEREBY TO COMPLY WITH THE CONTENTS  
OF OUR ABOVE MENTIONED LETTER AS SOON AS POSSIBLE, OTHERWISE  
WE SHALL BE LEFT WITH NO ALTERNATIVE BUT TO TAKE THE APPROPRIATE  
MEASURES TO SAFEGUARD OUR LEGITIMATE RIGHTS.

WITH BEST REGARDS

SULTAN BIN MOHAMED AL-QASIMI  
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RULER OF SHARJAH & DEPENDENCIE

S.  
END MEXT.  
DICKMAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, POLICIES, ARBITRATION, FOREIGN INVESTMENTS, INCOME TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 may 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ABUDH01280  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780194-0585  
**Format:** TEL  
**From:** ABU DHABI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780585/aaaacure.tel  
**Line Count:** 98  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 72f6b4a2-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 ABU DHABI 892, 78 ABU DHABI 1281  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2768587  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SHARJAH-CRESCENT DISPUTE - LETTER FROM SHAIKH SULTAN TO CRES CENT SHAREHOLDERS  
**TAGS:** ENRG, EINV, TC, UR, US, CRESCENT PETROLEUM, (AL QASIMI, SHAIKH SULTAN BIN)  
**To:** STATE  
**Type:** TE  
**vdkgvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/72f6b4a2-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014